



# Report on Research

College of Agricultural, Consumer and Environmental Sciences

## Illinois Farmers Making More with Less by Selling Direct

According to a recent University of Illinois study, some Illinois farmers have found a way to make more income from farming fewer acres. The secret? A combination of producing a high-value product and selling directly to the customer.

The study looked at the state of the local food system in central Illinois. "Local food system" is defined as the "production, processing, distribution, marketing, and consumption of food within a 50- to 80- mile area."

One of the first steps in the study was to conduct a survey of producers within a 13- county region in central Illinois to find out what they were selling, to whom and where (farmers' markets, roadside stands), what their challenges were, and what U of I Extension can do to help them.

"What we learned was that a large percent of farmers were making more money selling their products directly to consumers and using fewer acres to do it," said Sarah Hultine, a graduate student in Urban and Regional Planning and research assistant in the Laboratory for Community and Economic Development working with Leslie Cooperband, Pat Curry, and Anne Heinze Silvis on the project. "About 40 percent of the farmers who responded to the survey were also raising livestock, corn, or soybeans as commodities; but two-thirds of those farmers were earning more from their direct-market crops or products. They saved on transportation costs by selling at roadside stands or nearby farmers' markets; and by selling directly to consumers, they eliminated the middleman and were able to keep more of the profit," said Hultine.

In addition to surveying direct-market farmers, the study also examined six farmers' markets within the same 13-county region -- looking at variables such as location, number of vendors/customers, and products sold, as well as community and economic impacts.

Bloomington and Urbana both have farmers' markets that are well-established and attract about 3,000 customers on Saturdays during their peak season in July. They each have 40 to 50 food and crafts vendors. "The success of these big markets was in part related to the fact that they have a critical mass of shoppers and a critical mass of vendors making it more worthwhile to make the trip there on a Saturday morning," said Hultine.

"Metamora is our anomaly," said Hultine. "It's a small market with only four or five food vendors and crafts, but it attracts about 300 people per Saturday. The town works hard to make it a fun event, connecting with other businesses on the square so people can shop at the farmers' market, then go for a cup of coffee or tour the courthouse which is on the National Register of Historic Places."

Hultine says that the Metamora farmers' market is an anomaly because it's a rural market but is successfully drawing customers from the larger neighboring communities such as Peoria, 17 miles away.



The other rural farmers' markets studied each averaged about 100 shoppers per Saturday. "The farmers who sell at these markets tend to be more 'hobby' or backyard-gardener food vendors, and going to the market for them is more of a social occasion than an opportunity to make money," said Hultine.

"What we've discovered is that not all rural communities have what it takes to build and maintain a successful farmers' market," said Leslie Cooperband, principal investigator for the U of I project. "Our preliminary findings suggest that farmers' markets need a critical mass of food vendors who are there primarily to sell their products. This critical mass of farmers attracts a critical mass of customers, who spread the word about the great farmers' market in their community. "However, there are other opportunities for buying and selling locally grown produce that may be better suited for small, rural communities. The Fairbury project is a successful market for local foods that other rural communities can learn from."

Fairbury, a town with a population of about 4,000, doesn't have a farmers' market, but it has developed a local-food following in Dave's Supermarket. "In 2004, a group of four farmers began selling their produce in a mini-farmers' market inside Dave's. Last year seven farmers participated, and this year there were 10 farmers who participated. This year they have advertised more heavily, and it has been more popular," said Hultine.

One of the reasons that this mini-market inside the store has been a good solution for farmers is that Dave's is the only grocery store in the community. The next closest is 30 miles from Fairbury. The store sponsors community events and serves as social gathering place for senior citizens, who eat in the cafeteria.

Logistically speaking, Dave's Supermarket provides farmers with the shelf space, advertising, and accounting and, in turn, receives 20 percent from the purchase price. The farmers are responsible for stocking shelves and pricing products.

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“Dave’s Supermarket has shown that there are other methods for building local food systems in rural communities besides farmers’ markets,” said Hultine. “There may be other ways that are more efficient to get produce from the farm to the consumer.”

One option to explore is a local representative to coordinate purchases and deliveries among several farms. “For many farmers interested in selling directly to small grocery stores or restaurants, it’s a challenge to market their products and develop critical relationships with those food buyers,” said Cooperband. “Having some level of coordination among small groups of farmers is yet another strategy to get more locally grown foods into both rural and urban communities in central Illinois.”

In addition to helping farmers find alternative ways to sell their products, one of the project’s larger goals is to persuade people that local food is fresher, more healthful (more varied diet, more fruits and vegetables, and leaner meats), and keeps money in the local community.

The study also surveyed food buyers from hospitals, grocery stores, schools, and restaurants about some of their barriers to buying local food. “They responded that it’s easier for them to just buy everything from one central supplier and that sometimes the quantities they needed weren’t available locally,” said Hultine.

Rural and urban market shoppers’ preferences were also compared. Rural market shoppers were more likely to attend a farmers’ market strictly to purchase food, whereas urban farmers’ market shoppers attended markets for other reasons, such as socializing. Rural residents were also more likely to purchase locally grown foods from other venues such as roadside stands, u-pick farms, or directly from the farmer.

Among all survey respondents, 65 percent agreed that developing relationships with farmers was an important reason for shopping at a market. Even those who didn’t shop at the markets recognized the importance of the social aspects of farmers’ markets; the markets provide a place for community members to socialize.

What’s next? After the data are analyzed, materials will be created to reach economic developers, elected officials, farmers, and businesses to help them consider building local food systems as a means to community and economic development.

“Local food systems projects are developing,” said Hultine. “We’ve received calls from other communities with people interested in selling to grocery stores, and there have been requests from other local restaurants and groceries to buy local food products.”